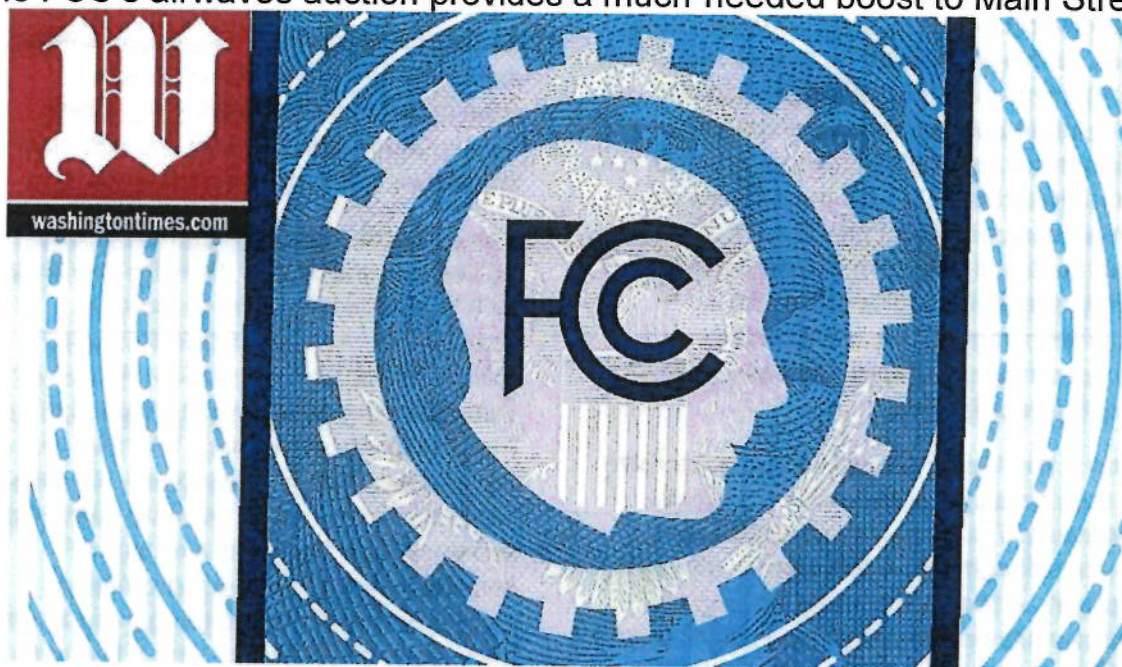


## Something for cellphone users to celebrate

The FCC's airwaves auction provides a much-needed boost to Main Street



*Billy Tauzin, May 7, 2017*

### ANALYSIS/OPINION:

There's an old adage that government never keeps up with the pace of technology and innovation — a refrain I heard time and again when I served in Congress. But with the Federal Communications Commission's (FCC) incentive auction officially coming to a close, the FCC, the American taxpayer and cellphone users across the country have reason to celebrate.

The auction saw a huge sale of government airwaves or "spectrum" to private sector companies, raising nearly \$20 billion for taxpayers and for clearing broadcasters. It's the second largest grossing auction in U.S. history. Yet as extraordinary as the revenue from this record-breaking auction turned out to be, revenue for taxpayers is really just the start of a virtuous cycle of investment and innovation that promises tens of billions of dollars in additional economic growth for the United States and countless economic

opportunities for businesses and consumers in rural America.

If things go well, we won't have to wait long to see the benefits of next-generation wireless services. Auction winners say they intend to use the new spectrum to roll out high-speed wireless broadband services starting this year. And in a remarkable turnabout, the winners of this spectrum auction will probably launch next-generation services in rural America first — perhaps as much as two or three years before they deploy similar services in the nation's most densely populated cities.

Wireless operators still make more money building cell towers to serve busy city streets than dusty country lanes. But two factors unique to this auction are driving the wireless operators' rural-first strategy.

First, signals in the airwaves the FCC just sold travel farther than other bands, which makes this spectrum ideally suited for wide-area coverage across lightly populated rural areas. Until now, the two largest incumbents held the lion's share of all these valuable low-band frequency resources thanks in large part to cost-free gifts of spectrum to them before the FCC had the authority to conduct spectrum auctions. The FCC's latest auction finally permits competitors to deploy operations that will rival the incumbents' operations and promises to introduce new competitive choices in rural areas that sorely need them.

Second, the legacy television operators that currently occupy the spectrum are mostly concentrated in cities. These television operators fought for — and won — the right to remain on the spectrum for as long as 39 months while new facilities are built for them in different frequency bands. And until the legacy operators leave, broadband providers cannot deploy. To put costly spectrum to work as soon as possible, wireless operators will target their earliest deployments in rural areas that have fewer television incumbents congesting the spectrum.

The resulting economic chain reaction cannot be overstated. Leading economists tell us that every dollar spent on spectrum can mean more than three dollars in new economic activity for the economy. As wireless operators invest in new cell towers and transmitters capable of taking full advantage of the newly available spectrum, they trigger a secondary — and much larger — wave of job-creating investment in next-generation products, services and technologies. And once consumers and businesses get their hands on the new phones, tablets and laptops that use these new frequencies, they discover new ways of doing business that can streamline

operations and new ways of relating to one another that can enrich our lives.

The FCC — now under the able leadership of Chairman Ajit Pai — deserves a victory lap for closing an auction that puts consumers and competition first while raising enormous revenues for American taxpayers. But let's make it a quick one.

It is my hope that Chairman Pai and his colleagues are able to clear the low-band spectrum of incumbents as soon as possible. Those companies that spent billions of dollars for spectrum did so with an understanding of how soon they could light it up to benefit consumers, and that end of the bargain must be maintained. And they need to keep pressing for more competition in the wireless sector as a means of stimulating job growth and promoting economic development. Long gone are the days when a "cellphone" was a luxury for doctors and real estate developers. Advanced wireless services are vital tools for the next generation of business and education. We cannot wait any longer than necessary to get these tools in the hands of our citizens.

As former chairman of the Energy and Commerce Committee of the House and of its Telecommunications Subcommittee, I am especially pleased with the work of both Congress and the FCC. When so many people today feel that government no longer works for them, here is a sterling example of government and the private sector together dramatically advancing the progress of all of our lives, especially those of us living in the most rural parts of our great country. When it comes to improvements in communications, no more should they ever feel left out or left behind again.

***Billy Tauzin is a former U.S. representative from Louisiana.***